

FEDERAL RESERVE  
BANK STATEMENTDiscount Operations and Net  
Deposits Increase While  
Circulation Expands.

## GOLD RESERVES REDUCED

Gain of \$50,000,000 in Other  
Reserve Cash Is Partly  
Silver Transfers.

WASHINGTON, Feb. 28.—Substantial

increase in discount operations, accompanied by corresponding gains in net deposits and further expansion of Federal Reserve note circulation, are indicated in the Federal Reserve Board's weekly bank statement. Gold reserves show further reduction of about \$1,000,000 and the increase of \$50,000,000 in other reserve cash appears largely a transfer of silver accumulated by the Treasury with the view of meeting Oriental demands. Silver so transferred will be used gradually for that purpose by the New York Federal Reserve Bank, which is conducting the operation under the direction of the Federal Reserve Board. Meanwhile the transfer serves to replenish the balance of the Treasury with the New York bank in anticipation of March 15 demands without calls on depository banks.

War paper holdings of the several reserve banks show increase of \$4,300,000 and those of other paper \$47,300,000. Acceptance on hand show but a nominal change and Treasury certificate holdings decline about \$1,100,000. The result of these changes is seen in an increase of \$24,600,000 in total earning assets of the total of about \$1,573,000,000 of war paper held \$755,800,000, or 48.1 per cent, were secured by Liberty; \$127,000,000, or 15.7 per cent, by Victory notes, and \$54,000,000, or 7.2 per cent, by Treasury certificates. The balance of \$54,000,000, or 7.2 per cent, respectively of a total of \$1,573,000,000 of war paper reported in the week just before.

Discounted paper held by the Cleveland, Atlanta, Chicago, Minneapolis, Kansas City and Dallas branches includes \$58,500,000 of bills discounted for the New York and Philadelphia banks, against \$51,900,000 in the week immediately previous and acceptance holdings of the Boston, Cleveland, Atlanta, Kansas City and San Francisco branches are inclusive of \$22,500,000 of paper purchased from the New York and Boston banks, against \$19,400,000 reported in the week just before by the Chicago and the other banks last named.

Government deposits show an increase for the week of \$58,300,000 and members' reserve deposits an increase of \$14,100,000. Other deposits, including \$1,000,000 of government credits, fell off \$300,000. Federal reserve note circulation shows a further expansion for the week of \$42,000,000, the Eastern banks and Chicago reporting the largest additions to their outstanding Federal reserve note circulation. On the other hand the banks' aggregate liabilities of Federal Reserve bank notes in circulation show a further reduction of \$3,700,000.

## LINER IMPERATOR

## HAS BRANCH BANK

It Is First Institution of Kind

on Steamship.

Special Cable Despatch to THE SUN AND

NEW YORK HERALD. Copyright, 1920, by THE SUN

AND NEW YORK HERALD.

LONDON, Feb. 28.—The former Ger-

man liner Imperator, now on her way

from Liverpool to New York, has on

board a complete branch bank of the

London City and Midland Bank. This

is the first time any steamship has had

on board a regular bank to handle the

business of passengers.

Members of Parliament yesterday

raised the old question of the prohibition

of foreign banks from maintaining de-

posit accounts in their London branches

and urged legislation to prevent it. It

was declared that such foreign banks

were not allowed to act as depositories

in the United States and in some other

countries. Sir Auckland Geddes, replying

said that the Government had looked

into the matter and believed that it

was impracticable to prevent London

branches of foreign banks from receiving

deposits.

On her first trip from New York since

she rolled over and capsized when being

warped into her pier on April 25, 1918,

the American liner St. Paul sailed yesterday

for Plymouth, Cherbourg and

Southampton with 625 passengers on

board.

The vessel after being raised was re-

fitted inside and out at the Robbins

Dock in Brooklyn. She was commanded

yesterday by Capt. Arthur Miller, com-

modore of the American line fleet.

Among those who sailed on her were

Dr. Eusebio Ayala, Minister from Para-

guay to France; Dr. H. van Reiken

Siam and Capt. G. Talbot Wilson.

TOTTENVILLE SEEKS BUS LINE.

Not Satisfied With 30 Cent Steam

Service to New York.

Tottenville citizens petitioned the

Board of Estimate yesterday for a bus

line from Tottenville to New York, point-

ing out that the only service now avail-

able is a steam road making but

nineteen trips a day, taking an hour to

make the run and charging thirty cents.

William Wirt Mills, deputy commissioner

of plant and structures, received the peti-

tion from Stuart L. Ritz, head of the

State Island Civic League.

Cavite Station Saves Town.

WASHINGTON, Feb. 28.—Fire destroyed

several blocks of property in San Roque,

Philippines, adjacent to the naval sta-

tion at Cavite Thursday, according to

an official report received to-day by the

Navy Department. The dispatch said

only the prompt arrival of fire apparatus

from the Cavite station saved the town.

STRIP SULTAN OF HIS  
POWER, SAYS STRAUSSOttoman Incapable of Rule,  
Former Ambassador Asserts  
at Republican Club.

## OPPOSED TO U. S. MANDATE

Pleads for Ratification of the  
Treaty and League of Na-  
tions Covenant.

OSCAR S. STRAUSS, who has been both

American Minister and American Am-

bassador to Constantinople and who is

regarded as an authority in this country

upon Turkish affairs, declared yesterday

that the Sultan should be completely

stripped of all power and should be ousted

from Constantinople for all time.

Mr. Strauss made his declaration at the

Saturday non-partisan discussion of

the Turkish situation at the Republican

Club. As one of the speakers on the

theme of the day, "Our Responsibilities

in the World's Reconstruction," he had

made a plea for ratification by the

Senate of the peace treaty and the

League of Nations covenant. After he

had finished and had been followed by

Dr. Albert Shaw, founder and editor of

the Review of Reviews, the chairman,

John Nicholson, expressed regret that

Mr. Strauss had not discussed the Turkish

situation.

"I am going to ask Mr. Strauss," said

the chairman, "to answer this question:

Do you or do you not think it wise for

the Turks to be allowed to remain in

Constantinople?"

"I will reply to that question briefly,"

said Mr. Strauss. "I have represented

this country in Turkey three separate

times, have lived there for considerable

periods and have acquired some definite

ideas. One of those definite ideas is that

the Ottoman Empire is incapable of rule.

It should not for any reason—Molam-

medan predilection or any other consid-

eration—be permitted longer to rule

over subject peoples. It should not be

permitted any longer to govern Constan-

tinople or the Dardanelles.

"I should have no objection to re-

taining the Sultan in Turkey in his

palace, as the Pontifex is maintained in

Rome, but I should not allow him to

have any part whatever in rulership. I

should permit him to stay in Anatolia,

where a very large proportion of the

population is Moslem, and there let him

do the best he can."

Speaking of the Armenians and other

peoples hitherto subject to the Sublime

Porte, Mr. Strauss said: "We have

learned that they are not to be

treated as subjects, but as equals. We

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